

# **SMALL BUSINESS LOAN FUND CORPORATION**

## **MINUTES OF THE BOARD OF DIRECTORS**

**July 22, 2010**

### **PUBLIC SESSION**

A monthly meeting of the Board of Directors (the "Board") of the Small Business Loan Fund Corporation (the "Corporation") was held in public session at the offices of the Rhode Island Economic Development Corporation, 315 Iron Horse Way, Suite 101, Providence, Rhode Island on July 22, 2010 at approximately 9:45 a.m., pursuant to notice of the meeting to all Directors, and public notice of the meeting as required by the By-Laws of the Corporation and by Rhode Island General Law 42-46-6.

The following Directors were present and participated throughout the meeting: Mr. Raymond Fogarty (Chair), Mr. William Parsons, Mr. Thomas Stocker and Mr. Richard DeMerchant.

The following Director(s) were absent: Ms. Leslie Taito.

Also present were: J. Michael Saul, Deputy Director of the RIEDC, Sean W. Esten, Corporation Administrator, Steve Whitney, Rhode Island Senate Deputy Fiscal Advisor, Paul Harley, Moses & Afonso, Ltd. and Thomas V. Moses, Legal Counsel, Moses & Afonso, Ltd.

Mr. Fogarty presided over the meeting.

#### **1. Call to Order.**

Mr. Fogarty called the meeting to order at 9:45 a.m.

#### **2. Approval of the Minutes of the Meeting Held on June 24, 2010.**

The first item to come before the Board was approval of the Public Session Minutes and the Executive Session Minutes of the Board meeting held on June 24, 2010. Upon motion duly made by Mr. Stocker and seconded by Mr. Parsons, the motion to approve the Public Session Minutes and the Executive Session Minutes of the meeting held on June 24, 2010 was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Fogarty, Mr. Parsons, Mr. Stocker and Mr. DeMerchant.

The following Directors voted against the foregoing: None.

The following Directors were absent for the vote: Ms. Taito.

**3. Maintain the Executive Minutes of June 24, 2010 Confidential.**

The next item to come before the Board was a vote to maintain the confidentiality of the Executive Session Minutes of the Board meeting held on June 24, 2010. Upon motion duly made by Mr. Stocker and seconded by Mr. Parsons, the motion to maintain the confidentiality of the Executive Session Minutes of the Board meeting held on June 24, 2010 was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Fogarty, Mr. Parsons, Mr. Stocker and Mr. DeMerchant.

The following Directors voted against the foregoing: None.

The following Directors were absent for the vote: Ms. Taito.

**4. Report of Cash Position as of June 30, 2010.**

Mr. Esten presented the report of Cash Position as of June 30, 2010.

**5. Report of Portfolio Activity, Delinquency Loans and Loan Forbearances as of June 30, 2010.**

Mr. Esten presented the report of Portfolio Activity, Loan Delinquency Report and Loan Forbearance Report as of June 30, 2010. Mr. DeMerchant asked about certain discrepancies in the reports and Mr. Esten addressed the same. Mr. Moses inquired about the new additions to the list of delinquencies and asked about the status of Henry Birks. Mr. Esten provided an update regarding the same. Mr. Moses also suggested more detail in the list of loans attached to the Portfolio Activity, Loan Delinquency Report and Loan Forbearance Report. The Board discussed the same and Mr. Esten acknowledged the Board's requests.

There were no other questions or discussions from the Board.

**6. Other Business.**

The staff confirmed that there were no other matters to be discussed during this portion of the public meeting.

**7. Executive Session**

Mr. Fogarty suggested that the Board move into executive session. Upon motion duly made by Mr. Stocker and seconded by Mr. Parsons, the motion to move the meeting into executive session pursuant to Rhode Island Open Meetings Law 42-46-5(a)(6) of the General Laws of the State of Rhode Island, as amended, was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Fogarty, Mr. Parsons, Mr. Stocker and Mr. DeMerchant.

The following Directors voted against the foregoing: None.

The following Directors were absent for the vote: Ms. Taito.

Public session concluded and executive session began at 9:52 a.m.

## **8. Return to Public Session**

Upon a motion duly made by Mr. Parsons and seconded by Mr. Stocker, the motion to conclude executive session and return to public session was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Fogarty, Mr. Parsons, Mr. Stocker and Mr. DeMerchant.

The following Directors voted against the foregoing: None.

The following Directors were absent for the vote: Ms. Taito.

Executive session concluded and public session began at 10:34 a.m.

## **9. Executive Session Vote Ratification**

Mr. Fogarty called for ratification of the votes adopted during executive session. Upon motion duly made by Mr. Parsons and seconded by Mr. Stocker, the following votes were ratified:

- (a) To approve the application of Simmering Soup, Inc. for a loan in the principal amount of \$250,000.00; and
- (b) To approve the application of Schulz Boat Company, Inc. for a loan in the principal amount of \$250,000.00.

The following Directors voted in favor of the foregoing: Mr. Fogarty, Mr. Parsons, Mr. Stocker and Mr. DeMerchant.

The following Directors voted against the foregoing: None.

The following Directors were absent for the vote: Ms. Taito.

Due to scheduling conflicts, Mr. Fogarty requested that the next meeting regularly scheduled for August 26, 2010 be moved to August 25, 2010. Mr. Fogarty also requested that the August 25, 2010 meeting agenda include a discussion of the job tracking chart.

There being no further business to come before the Board, Mr. Fogarty called for a

vote to adjourn the meeting. Upon motion duly made by Mr. Parsons and seconded by Mr. DeMerchant, the motion to conclude executive session and return to public session was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Fogarty, Mr. Parsons, Mr. Stocker and Mr. DeMerchant.

The following Directors voted against the foregoing: None.

The following Directors were absent for the vote: Ms. Taito.

The meeting was adjourned at 10:44 a.m.

Respectfully submitted,

/s/ Sean W. Esten  
Sean W. Esten, Administrator

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